

EXHIBIT C

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

COPY

In re) Chapter 11
)
TELEGLOBE COMMUNICATIONS) Jointly Administered
CORPORATION, et al.,) Bankr. Case No. 02-11518 (MFW)
Debtors.)
- - - - -
TELEGLOBE COMMUNICATIONS,)
et al.,) C.A. 04-CV-1266 (SLR)
)
Plaintiffs,)
)
V.)
)
BCE INC., et al.,)
)
Defendants.)

Monday, October 31, 2005
9:55 a.m.
Courtroom 2B

844 King Street
Wilmington, Delaware

BEFORE: SPECIAL MASTER COLLINS SEITZ, JR.

APPEARANCES:

RICHARDS, LAYTON & FINGER
BY: C. MALCOLM COCHRAN, ESQ.
BY: CHAD M. SHANDLER, ESQ.
BY: EVAN O. WILLIFORD, ESQ.

for the Plaintiffs

1 And we know we have some directors
2 that are overlapping with the Debtors. And I'm
3 -- which I'm sure you're going to get to.

4 But for the most part, you are
5 saying it's not enough for them to complain about
6 who the lawyers represented at the TI and the BCE
7 level or who the directors were at those two
8 companies?

9 MR. WADE: Not quite.

10 We're quite -- we're cognizant of
11 the fact that Ms. Morgan has waived any privilege
12 TI might have had. So we're not saying that
13 they -- that a TI-only privileged document can't
14 be produced. Those have been and will be.

15 SPECIAL MASTER: You say "will be".
16 Does that mean they are somewhere?

17 MR. WADE: There are about ten of
18 them.

19 SPECIAL MASTER: Okay.

20 MR. WADE: And those were mistakes.

21 There was never any intention, after
22 the common interest decision a year or plus ago,
23 to withhold any of those documents. A year and a
24 half ago.

1 I also want -- there is a Supreme
2 Court case that plaintiffs like to ignore on the
3 grounds that it doesn't discuss privilege as
4 much. But it does discuss the roles of directors
5 of parents and subsidiaries, and that's Best
6 Foods.

7 And it is the Supreme Court. In the
8 opinion, it is a well established principle that
9 directors and officers holding positions with a
10 parent and its subsidiaries "can and do change
11 hats" to represent the two corporations
12 separately despite their common ownership.

13 And it goes on, and I'm not quoting
14 here, Courts also generally presume that the
15 employees of the parents are wearing their parent
16 hat when acting for the parent and their
17 subsidiary hat when acting for the subsidiary.

18 That, to us, seemed to be a
19 statement of common sense.

20 It applies here, because it gives us
21 a guideline as to how we ought to look at whose
22 doing what to whom on any particular subject on
23 any given day. And we ought -- we can't just
24 wash over the fact that Mr. Monty and Mr. Sabia

1 So we would suggest that the
2 argument that it's two years later borders on the
3 silly. And there's a reason why it's two years
4 later. That's the end of the bankruptcy
5 limitation period for this type of action.

6 SPECIAL MASTER: On the privilege
7 log, in your papers, you say that the documents
8 being withheld now concern only advice given to
9 BCE. They don't completely trust you on that.

10 I guess, that's a general way of
11 putting it.

12 MR. WADE: Fair enough.

13 SPECIAL MASTER: Could you just help
14 me out on that and maybe elaborate a little bit
15 more on what is meant by -- my impression is
16 you're trying to say that it relates exclusively
17 to advice provided to BCE; is that accurate?

18 MR. WADE: That's what we are --
19 there are mistakes. And whenever we find a
20 mistake, we try to correct it.

21 And there are, as I say, ten
22 documents that we figured out in the last few
23 days, because we were preparing for this argument
24 probably should not -- probably should not be in

1 that log, and they'll be produced in the next
2 couple days.

3 But, yes, we are saying that what we
4 are talking about is BCE-privileged advice, not
5 advice that -- where BCE has a common interest
6 with TI, not advice given to TI or to TCC, if
7 there is any.

8 SPECIAL MASTER: Now, it does seem
9 like a large number of documents on a log for a
10 fairly discrete period of time for legal advice,
11 6,000 documents.

12 Or 5,999, I guess.

13 MR. WADE: Yes, it's a couple
14 hundred under 6,000.

15 SPECIAL MASTER: Yes. How did you
16 determine -- they make the argument they wouldn't
17 be on the log if they weren't relevant.

18 So do we have a relevance issue with
19 any of these on the log, or are we -- am I to
20 assume that they were selected because they are
21 relevant to or may lead to the discovery of
22 relevant evidence in the underlining case?

23 MR. WADE: Let me put it this way,
24 if they were arguably responsive to the document